

CITY OF LYONS, KANSAS

*Primary Government Financial Statement
With Independent Auditors' Report*

For the Year Ended December 31, 2012

CITY OF LYONS, KANSAS
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For the Year Ended December 31, 2012

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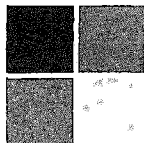
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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Lyons, Kansas
Lyons, Kansas

We have audited the accompanying primary government summary statement of regulatory basis receipts, expenditures, and unencumbered cash of **City of Lyons, Kansas**, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities

The financial statement referred to above includes two related municipal entities, City of Lyons Public Building Commission and Lyons Public Library and does not include the financial data for the City's

legally separate related municipal entity, Housing Authority of the City of Lyons, Kansas. Accounting principles generally accepted in the United States of America require financial data for all related municipal entities to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its related municipal entities. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash balance of Housing Authority of the City of Lyons, Kansas would have been reported as \$290,944.

Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities" paragraph, the financial statement referred to above does not present fairly the financial position of the aggregate discretely presented related municipal entities of **City of Lyons, Kansas**, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by **City of Lyons, Kansas** to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Aggregate Remaining Fund Information

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities" and "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statement referred to above does not present fairly, in all material respects, the financial position of the aggregate remaining fund information of **City of Lyons, Kansas** as of December 31, 2012, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **City of Lyons, Kansas** as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of receipts, expenditures and unencumbered cash (basic financial statement) as a whole. The summary of expenditures – actual and budget and individual fund schedules of receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a

required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*.

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2013, on our consideration of **City of Lyons, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **City of Lyons, Kansas'** internal control over financial reporting and compliance.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

September 16, 2013

CITY OF LYONS, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ (24,385)	-	2,935,659	2,965,595	(54,321)	102,295	47,974
Special Purpose Funds							
Library Fund	-	-	70,446	70,446	-	2,664	2,664
Special Highway Fund	12,288	-	402,120	415,067	(659)	13,671	13,012
Special Parks and Recreation Fund	785	-	2,697	-	3,482	-	3,482
Special Alcohol DUI Fund	300	-	-	-	300	-	300
Municipal Equipment Reserve Fund	149,023	-	85,492	49,638	184,877	-	184,877
Capital Improvement Fund	74,511	-	264,996	249,301	90,206	-	90,206
Bond and Interest Funds							
Bond and Interest Fund - Street Improvements	4,564	-	89,300	93,864	-	-	-
Bond and Interest Fund - Quivira Housing	43,582	-	51,899	38,863	56,618	-	56,618
Bond and Interest Fund - Gas Line Project	6,930	-	215,000	203,443	18,487	-	18,487
Business Funds							
Water Utility Fund	91,475	-	938,083	842,676	186,882	18,839	205,721
Waste Water Treatment Fund	16,144	-	489,097	457,677	47,564	9,844	57,408
Storm Water Utility Fund	27,972	-	32,725	15,156	45,541	-	45,541
Gas Fund	126,430	-	1,236,599	1,172,921	190,108	152,942	343,050
Gas Line Replacement Reserve Fund	83,957	-	30,000	17,323	96,634	1,426	98,060
Sewer Replacement Reserve Fund	44,533	-	126,720	116,712	54,541	-	54,541
Sewer Line Replacement Reserve Fund	26,746	-	39,000	28,126	37,620	-	37,620
Water Line Reserve Fund	59,321	-	389,365	204,850	243,836	2,182	246,018
Water Well Reserve Fund	65,784	-	30,000	59,692	36,092	-	36,092
Trust Funds							
Special Law Enforcement Fund	1,866	-	-	-	1,866	-	1,866
Cemetery Endowment Fund	31,059	-	102,700	-	133,759	-	133,759
Total Primary Government	842,885	-	7,531,898	7,001,350	1,373,433	303,863	1,677,296
Related Municipal Entities							
Lyons Public Library	130,978	-	91,614	90,464	132,128	1,410	133,538
City of Lyons Public Building Commission	30,915	-	160,000	152,162	38,753	-	38,753
Total Related Municipal Entities	161,893	-	251,614	242,626	170,881	1,410	172,291
Total Primary Government	\$ 1,004,778	-	7,783,512	7,243,976	1,544,314	305,273	1,849,587
Composition of Cash					Checking Accounts	\$	1,025,241
					Savings Accounts		24,882
					Petty Cash		150
					Certificates of Deposit		627,023
					Total Primary Government		1,677,296
					Total Related Municipal Entities		172,291
					Total Primary Government	\$	1,849,587

The notes to the financial statements are an integral part of this statement.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Lyons, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and eight-member council. This financial statement presents the City (the municipality) and its related municipal entities, City of Lyons Public Building Commission and Lyons Public Library, shown below. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents. This financial statement does not include the related municipal entity, Housing Authority of the City of Lyons, Kansas, shown below.

City of Lyons Public Building Commission

The City's Public Building Commission was formed in 2010 under K.S.A. 12-1757. The Commission can sue and be sued, and can buy, sell, or lease real property. The Commission can issue revenue bonds without City approval for the purpose of providing funds to acquire, erect, equip, repair, maintain, and operate buildings or other facilities maintained and operated by the City. The financial information for the Public Building Commission is included in the audited financial statement of the City.

Lyons Public Library

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the library. Board members are appointed by the City Council. The financial information for the Public Library is included in the audited financial statement of the City.

Housing Authority of the City of Lyons, Kansas

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

The City is the primary government as defined in GASB #61. The City council is elected by the public. The council has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

The following types of funds comprise the financial activities of the City for the year ended December 31, 2012.

Regulatory Basis Fund Types

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Business Fund – fund financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service funds, etc.).

Trust Fund – fund used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Basis of Accounting

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust funds of the City for special purposes.

Reimbursements

The City records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

NOTE 2 – BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There was one budget amendment for this year for the General Fund, Special Highway Fund, Bond and Interest Fund - Gas Line Project, and Gas Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund: Capital Improvement Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Lyons, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$1,677,296 and the bank balance was \$1,701,134. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$592,371 was covered by federal depository insurance and \$1,108,763 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments at December 31, 2012.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Lyons, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2012 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 12-1118	\$ 264,996
General Fund	Bond and Interest Fund - Quivira Housing	K.S.A. 12-197	39,000
General Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1117	50,000
General Fund	Cemetery Endowment Fund	Per Council	100,000
General Fund	Storm Water Utility Fund	Per Council	9,000
Gas Fund	Bond and Interest Fund - Gas Line Project	K.S.A. 12-825d	215,000
Gas Fund	Gas Line Replacement Reserve Fund	K.S.A. 12-825d	30,000
Waste Water Treatment Fund	Sewer Line Replacement Reserve Fund	K.S.A. 12-825d	39,000
Waste Water Treatment Fund	Water Line Reserve Fund	K.S.A. 12-825d	126,720
Water Utility Fund	Water Well Reserve Fund	K.S.A. 12-825d	205,000
Water Utility Fund	Special Highway Fund	K.S.A. 12-825d	30,000
Storm Water Utility Fund	Bond and Interest Fund - Street Improvements	K.S.A. 12-825d	14,000
Capital Improvement Fund		Per Council	89,300

NOTE 5 – LITIGATION

City of Lyons, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

NOTE 6 – RISK MANAGEMENT

City of Lyons, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, umbrella, linebacker, auto, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Lyons, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

NOTE 8 – RELATED PARTY TRANSACTIONS

City of Lyons, Kansas entered into an arms length transaction with council member Chris Hass. The City paid \$35,728 for services provided by Jones Oil Company during the year ended December 31, 2012. Chris Hass is a part owner of the business.

The City entered into an arms length transaction with council member Mike Young. The City paid \$4,953 for dues to the City of Lyons Chamber of Commerce during the year ended December 31, 2012. Mike Young's wife is the director of the organization.

The City entered into an arms length transaction with council member Mike Drake. The City paid \$52 for services provided by Mike's Small Engine Repair during the year ended December 31, 2012. Mike Drake is the owner of the business.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

City of Lyons, Kansas did not meet K.S.A. 10-130 requirements that mandate all bond payments be made to the State Treasurer at least 20 days prior to the due date on the Series 2011 General Obligation Bonds.

Expenditures exceeded available monies in the General Fund by \$54,321 and the Special Highway fund by \$659, which is a violation of K.S.A. 10-113.

Expenditures exceeded the adopted budget in the Library Fund by \$995, which is a violation of K.S.A. 79-2935.

NOTE 10 – DEFERRED COMPENSATION PLAN

City of Lyons, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description

City of Lyons, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Lyons, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE 13 – COMPENSATED ABSENCES

Vacation

City of Lyons, Kansas' policy regarding vacation for full-time employees is as follows:

<u>Years Worked</u>	<u>Amount Earned</u>
1	5 days/year
2-9	10 days/year
10-15	15 days/year
16	16 days/year
17	17 days/year
18	18 days/year
19	19 days/year
20 and over	20 days/year

Part-time employees who work at least 20 hours or more per week shall earn vacation at the rate of 3 hours each month of employment.

Vacation earned may not be taken until the employee completes six months of service. The maximum accrual for vacation shall be no more than 10 days. The potential liability for vacation at December 31, 2012 was \$7,958. This is reflected in the financial statement.

Sick Leave

The City's policy for sick leave permits full-time employees to earn sick leave at the rate of 1 day per calendar month up to a maximum of 90 days. Part-time employees who are employed to work not less than 20 hours per week shall receive 4 hours of sick leave for each month of employment up to 67.5 days. Full-time employees who have accumulated more than 720 hours of sick leave or 540 hours for part-time at the end of the fiscal year will receive \$25 for each eight hour increment over the 720 or 540 hours. The potential liability for accumulated sick leave exceeding 720 hours for full time employees at December 31, 2012 was \$1,750. This is reflected in the financial statement.

Employees shall not be paid for any unused sick leave upon termination of employment with the City unless they have worked 10 continuous years for the City. They shall be compensated for unused accumulated sick leave at \$25 per day upon termination of their employment due to retirement or medical disability. The potential liability for sick leave at December 31, 2012 was \$178,232. This is not reflected in the financial statement.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

Comp Time

Comp time is earned at the rate of 1½ hours per every hour worked over 40 hours during a one week period. It must be taken as time off before the end of the calendar year. If not taken within the calendar year, the employee will be automatically reimbursed for the overtime hours worked. There was no liability for comp time at December 31, 2012.

NOTE 14 – LEASE RECEIVABLE

On September 15, 2009, the City of Lyons Public Building Commission entered into a series 2009 revenue bond agreement in the amount of \$2,000,000. The City is ultimately responsible for this debt on behalf of the Public Building Commission.

On September 15, 2009, the City of Lyons Public Building Commission entered into a lease purchase agreement with the **City of Lyons, Kansas** for the swimming pool. Under this agreement, the City of Lyons Public Building Commission will make the entire principal and interest payments on this debt. In return, when this debt is no longer outstanding, the City of Lyons will receive the pool as an asset from the City of Lyons Public Building Commission. Total payments receivable are as follows:

<u>Years Ending December 31</u>	<u>Total</u>
2013	\$ 165,000
2014	165,000
2015	165,000
2016	165,000
2017	165,000
2018-2022	825,000
2023-2027	825,000
2028-2029	330,000
	<u>\$ 2,805,000</u>

NOTE 15 – LONG-TERM DEBT

City of Lyons, Kansas has the following types of long-term debt.

General Obligation Bond

On April 1, 2002, the City issued \$745,000 in General Obligation – Series 2002 Bonds for the purpose of street improvements.

On December 31, 2007, the City issued \$500,000 in General Obligation – Series 2007 Bonds for the purpose of the Quivira Heights Improvement Project.

On September 15, 2011, the City issued \$3,350,000 in General Obligation – Refunding Series 2011 Bonds for the purpose of refunding \$3,177,952 of the Series 2008 Bonds.

Revenue Bonds

On September 15, 2009, the City issued \$2,000,000 in Commission Revenue – Series 2009 Bonds for the purpose of renovations of the City's pool. The City has levied a ½ cent sales tax in order to repay the bonds.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

KDHE Waste Water Treatment Revolving Loan

The City's Waste Water Treatment Fund received approval for a \$1,402,806 loan in 2003 to modify and upgrade the existing waste water treatment plant to improve treatment reliability and capability. The loan interest rate is 2.66% with an additional service fee rate of 0.25% for a total gross rate of 2.91%. Principal and interest payments of \$58,356 are due March 1 and September 1 for each year until maturity in 2019.

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

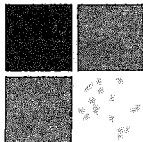
Changes in long-term liabilities for the City for the year ended December 31, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2002	3.70-4.25%	04/01/02	\$ 745,000	10/01/12	\$ 90,000	-	(90,000)	-	3,825
Series 2007	4.15-5.50%	12/31/07	500,000	09/01/27	430,000	-	(20,000)	410,000	18,863
Refunding Series 2011	3.00-4.5%	09/15/11	3,350,000	02/01/40	3,350,000	-	(90,000)	3,260,000	113,474
KDHE Loans									
Waste Water Treatment Revolving Loan	2.91%	01/07/03	1,402,806	09/01/19	827,648	-	(93,302)	734,346	21,399
Total Contractual Indebtedness - City					4,697,648	-	(293,302)	4,404,346	157,561
Related Municipal Entity Debt									
Revenue Bonds									
Series 2009	3.00-5.00%	09/15/09	2,000,000	10/01/29	1,865,000	-	(75,000)	1,790,000	77,163
Total Contractual Indebtedness					\$ 6,562,648	-	(368,302)	6,194,346	234,724

CITY OF LYONS, KANSAS
Notes to Financial Statement
December 31, 2012

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Issue	YEAR										Total
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2040	
Principal											
General Obligation Bonds	\$ 90,000	90,000	95,000	100,000	105,000	570,000	680,000	625,000	765,000	550,000	3,670,000
KDHE Loans	96,037	98,852	101,749	104,731	107,801	225,175	-	-	-	-	734,346
Total Principal	186,037	188,852	196,749	204,731	212,801	795,175	680,000	625,000	765,000	550,000	4,404,346
Interest											
General Obligation Bonds	144,825	141,725	138,550	135,470	132,108	606,816	493,314	363,269	212,738	37,800	2,406,615
KDHE Loans	18,900	16,326	13,678	10,952	8,145	7,541	-	-	-	-	75,542
Total Interest	163,725	158,052	152,228	146,423	140,253	614,358	493,314	363,269	212,738	37,800	2,482,157
Total Principal and Interest - City	349,762	346,904	348,977	351,153	353,054	1,409,533	1,173,314	988,269	977,738	587,800	6,886,503
Related Municipal Entity Debt											
Principal											
Revenue Bonds	75,000	80,000	80,000	85,000	90,000	490,000	605,000	285,000	-	-	1,790,000
Interest											
Revenue Bonds	74,913	71,913	68,712	65,512	62,643	263,300	144,962	19,350	-	-	771,306
Total Principal and Interest - Related Municipal Entity	149,913	151,913	148,712	150,512	152,643	753,300	749,962	304,350	-	-	2,561,306
Total Principal and Interest	\$ 499,675	498,817	497,689	501,665	505,697	2,162,833	1,923,276	1,292,619	977,738	587,800	9,447,809



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Lyons, Kansas
Lyons, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Accounting and Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **City of Lyons, Kansas**, as of and for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated September 16, 2013. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **City of Lyons, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **City of Lyons, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **City of Lyons, Kansas'** internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs (2012-1) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **City of Lyons, Kansas'** financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance

City of Lyons, Kansas

Page 2

with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Lyons, Kansas' Response to Findings

City of Lyons, Kansas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **City of Lyons, Kansas'** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

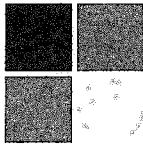
Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

September 16, 2013



Certified
Public
Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY OMB CIRCULAR A-133**

To the City Council
City of Lyons, Kansas
Lyons, Kansas

Report on Compliance for Each Major Federal Program

We have audited **City of Lyons, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **City of Lyons, Kansas'** major federal programs for the year ended December 31, 2012. **City of Lyons, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **City of Lyons, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **City of Lyons, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **City of Lyons, Kansas'** compliance.

Opinion on Each Major Federal Program

In our opinion, **City of Lyons, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of **City of Lyons, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **City of Lyons, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **City of Lyons, Kansas'** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

September 16, 2013

CITY OF LYONS, KANSAS

Regulatory-Required Supplementary Information

CITY OF LYONS, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General Fund	\$ 4,572,436	-	4,572,436	2,965,595	(1,606,841)
Special Purpose Funds					
Library Fund	69,451	-	69,451	70,446	995
Special Highway Fund	372,260	44,860	417,120	415,067	(2,053)
Special Parks and Recreation Fund	5,133	-	5,133	-	(5,133)
Special Alcohol DUI Fund	750	-	750	-	(750)
Municipal Equipment Reserve Fund	254,695	-	254,695	49,638	(205,057)
City of Lyons Public Building Commission	175,000	-	175,000	152,162	(22,838)
Bond and Interest Funds					
Bond and Interest Fund - Street Improvements	94,500	-	94,500	93,864	(636)
Bond and Interest Fund - Quivira Housing	40,000	-	40,000	38,863	(1,137)
Bond and Interest Fund - Gas Line Project	226,000	-	226,000	203,443	(22,557)
Business Funds					
Water Utility Fund	1,121,768	-	1,121,768	842,676	(279,092)
Waste Water Treatment Fund	596,517	-	596,517	457,677	(138,840)
Storm Water Utility Fund	181,400	-	181,400	15,156	(166,244)
Gas Fund	4,845,077	-	4,845,077	1,172,921	(3,672,156)

CITY OF LYONS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
Cash Receipts				
Taxes				
Ad Valorem	\$ 610,523	628,536	639,468	(10,932)
Special Assessments	-	-	88,000	(88,000)
Delinquent	30,863	45,018	19,492	25,526
Motor Vehicle	124,752	131,997	130,560	1,437
Local Sales	774,829	840,763	778,000	62,763
In Lieu of Taxes	20,228	19,963	17,400	2,563
Total Taxes	<u>1,561,195</u>	<u>1,666,277</u>	<u>1,672,920</u>	<u>(6,643)</u>
Intergovernmental				
Franchise Tax	415,458	407,323	410,000	(2,677)
State Aid	48,648	48,527	49,031	(504)
Total Intergovernmental	<u>464,106</u>	<u>455,850</u>	<u>459,031</u>	<u>(3,181)</u>
Licenses and Permits				
Occupation Licenses	22,635	20,860	30,000	(9,140)
Dog Licenses	8,950	7,495	5,500	1,995
Total Licenses and Permits	<u>31,585</u>	<u>28,355</u>	<u>35,500</u>	<u>(7,145)</u>
Charges for Services				
Cemetery	9,980	11,535	13,000	(1,465)
Refuse	168,981	174,858	169,309	5,549
Swimming Pool	63,771	61,979	61,000	979
Total Charges for Services	<u>242,732</u>	<u>248,372</u>	<u>243,309</u>	<u>5,063</u>
Fines, Forfeitures and Penalties				
Vehicle Inspection	4,391	6,360	7,800	(1,440)
Municipal Court	61,299	46,938	82,773	(35,835)
Total Fines, Forfeitures and Pen.	<u>65,690</u>	<u>53,298</u>	<u>90,573</u>	<u>(37,275)</u>
Use of Money and Property				
Interest	\$ 5,142	7,313	10,025	(2,712)

CITY OF LYONS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
Other Cash Receipts				
Reimbursed Expenses	\$ 92,213	134,515	60,162	74,353
Miscellaneous	5,660	10,650	260,781	(250,131)
Sale of Property	14,889	5,703	7,000	(1,297)
Grants	203,435	116,294	607,000	(490,706)
Park Improvement Bequest	824	253	1,800	(1,547)
Federal Aid FAA	81,708	200,615	774,335	(573,720)
Federal Aid	-	8,164	-	8,164
Total Other Cash Receipts	<u>398,729</u>	<u>476,194</u>	<u>1,711,078</u>	<u>(1,234,884)</u>
Total Cash Receipts	<u>2,769,179</u>	<u>2,935,659</u>	<u>4,222,436</u>	<u>(1,286,777)</u>
Expenditures				
City Administration	574,276	537,860	1,272,717	(734,857)
Police Department	492,908	479,258	578,392	(99,134)
Animal Control	19,140	19,488	20,691	(1,203)
Municipal Court	49,775	54,767	56,092	(1,325)
Fire Protection	77,279	68,036	82,709	(14,673)
Street Department	547,582	504,427	775,572	(271,145)
Cemetery	132,834	137,313	148,241	(10,928)
Parks	128,386	200,100	138,762	61,338
Swimming Pool	84,268	82,217	89,047	(6,830)
Compost	10,124	13,979	11,471	2,508
Airport	194,147	220,716	778,285	(557,569)
Refuse	157,659	163,034	157,457	5,577
Transfers Out	355,000	462,996	463,000	(4)
Neighborhood Revitalization	20,480	21,404	-	21,404
Total Expenditures	<u>2,843,858</u>	<u>2,965,595</u>	<u>4,572,436</u>	<u>(1,606,841)</u>
Cash Receipts Over (Under) Expenditures	(74,679)	(29,936)		
Unencumbered Cash - Beginning	<u>50,294</u>	<u>(24,385)</u>		
Unencumbered Cash - Ending	<u>\$ (24,385)</u>	<u>(54,321)</u>		

CITY OF LYONS, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes				
Ad Valorem	\$ 53,492	55,045	55,992	(947)
Delinquent	2,386	3,830	1,707	2,123
Motor Vehicle	10,941	11,413	11,278	135
Recreational Vehicle	156	158	154	4
Total Cash Receipts	<u>66,975</u>	<u>70,446</u>	<u>69,131</u>	<u>1,315</u>
Expenditures				
Appropriations	67,213	68,572	69,131	(559)
Miscellaneous	-	-	320	(320)
Neighborhood Revitalization	1,794	1,874	-	1,874
Total Expenditures	<u>69,007</u>	<u>70,446</u>	<u>69,451</u>	<u>995</u>
Cash Receipts Over (Under) Expenditures	(2,032)	-		
Unencumbered Cash - Beginning	<u>2,032</u>	<u>-</u>		
Unencumbered Cash - Ending	\$ <u>-</u>	<u>-</u>		

CITY OF LYONS, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
State Gasoline Tax	\$ 93,159	96,826	93,260	3,566
State Aid	325,440	16,438	-	16,438
Federal Aid	-	274,856	250,000	24,856
Transfers In	-	14,000	14,000	-
Total Cash Receipts	<u>418,599</u>	<u>402,120</u>	<u>357,260</u>	<u>44,860</u>
Expenditures				
Contractual Services	450,710	410,067	359,000	51,067
Commodities	-	5,000	13,260	(8,260)
(a) Adjustment for Qualifying Budget Credits	-	-	44,860	(44,860)
Total Expenditures	<u>450,710</u>	<u>415,067</u>	<u>417,120</u>	<u>(2,053)</u>
Cash Receipts Over (Under) Expenditures	(32,111)	(12,947)		
Unencumbered Cash - Beginning	<u>44,399</u>	<u>12,288</u>		
Unencumbered Cash - Ending	\$ <u>12,288</u>	<u>(659)</u>		
(a) Adjustment for Qualifying Budget Credits				
State Gasoline Tax Over Amount Budgeted		\$ 3,566		
State Aid Over Amount Budgeted		16,438		
Federal Aid Over Amount Budgeted		24,856		
Total		\$ <u>44,860</u>		

CITY OF LYONS, KANSAS
Special Parks and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
Cash Receipts				
Intergovernmental				
Liquor Tax	\$ 2,850	2,697	3,233	(536)
State Aid	93	-	-	-
Total Cash Receipts	<u>2,943</u>	<u>2,697</u>	<u>3,233</u>	<u>(536)</u>
Expenditures				
Capital Outlay	10,792	-	218	(218)
Contractual Services	-	-	4,915	(4,915)
Total Expenditures	<u>10,792</u>	<u>-</u>	<u>5,133</u>	<u>(5,133)</u>
Cash Receipts Over (Under) Expenditures	(7,849)	2,697		
Unencumbered Cash - Beginning	<u>8,634</u>	<u>785</u>		
Unencumbered Cash - Ending	\$ <u>785</u>	<u>3,482</u>		

CITY OF LYONS, KANSAS
Special Fire Equipment Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Taxes		
Ad Valorem	\$ 16,634	-
Delinquent	1,273	-
Motor Vehicle	5,469	-
Recreational Vehicle	78	-
Total Cash Receipts	<u>23,454</u>	<u>-</u>
Expenditures		
Transfers Out	153,009	-
Neighborhood Revitalization	920	-
Total Expenditures	<u>153,929</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(130,475)	-
Unencumbered Cash - Beginning	<u>130,475</u>	<u>-</u>
Unencumbered Cash - Ending	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF LYONS, KANSAS
Special Alcohol DUI Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		Prior Year Actual	Current Year		Variance Over (Under)
			Actual	Budget	
Cash Receipts					
Municipal Court DUI Eval Fees	\$	-	-	300	(300)
Expenditures					
Municipal Court DUI Evaluation Fees		-	-	750	(750)
Cash Receipts Over (Under) Expenditures		-	-		
Unencumbered Cash - Beginning		300	300		
Unencumbered Cash - Ending	\$	300	300		

CITY OF LYONS, KANSAS
Municipal Equipment Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes				
Ad Valorem	\$ 10,794	27,530	27,996	(466)
Delinquent	287	2,035	933	1,102
Motor Vehicle	-	5,927	5,716	211
Grants	13,275	-	-	-
Transfers In	203,009	50,000	50,000	-
Total Cash Receipts	<u>227,365</u>	<u>85,492</u>	<u>84,645</u>	<u>847</u>
Expenditures				
Commodities	-	-	10,050	(10,050)
Capital Outlay	87,398	48,700	244,645	(195,945)
Neighborhood Revitalization	-	938	-	938
Total Expenditures	<u>87,398</u>	<u>49,638</u>	<u>254,695</u>	<u>(205,057)</u>
Cash Receipts Over (Under) Expenditures	139,967	35,854		
Unencumbered Cash - Beginning	<u>9,056</u>	<u>149,023</u>		
Unencumbered Cash - Ending	\$ <u>149,023</u>	<u>184,877</u>		

CITY OF LYONS, KANSAS
Capital Improvement Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 265,000	264,996
Expenditures		
Transfers Out	96,000	89,300
Rents Paid	165,000	160,000
Capital Outlay	8,396	1
Total Expenditures	269,396	249,301
Cash Receipts Over (Under) Expenditures	(4,396)	15,695
Unencumbered Cash - Beginning	78,907	74,511
Unencumbered Cash - Ending	\$ 74,511	90,206

CITY OF LYONS, KANSAS
Bond and Interest Fund - Street Improvements
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 96,000	89,300	94,000	(4,700)
Expenditures				
Bond Principal	85,000	90,000	90,000	-
Interest	7,395	3,825	3,825	-
Miscellaneous	3	39	675	(636)
Total Expenditures	92,398	93,864	94,500	(636)
Cash Receipts Over (Under) Expenditures	3,602	(4,564)		
Unencumbered Cash - Beginning	962	4,564		
Unencumbered Cash - Ending	\$ 4,564	-		

CITY OF LYONS, KANSAS
Bond and Interest Fund - Quivira Housing
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
Cash Receipts				
Taxes				
Special Assessments	\$ 43,185	12,899	-	12,899
Transfers In	40,000	39,000	39,000	-
Total Cash Receipts	<u>83,185</u>	<u>51,899</u>	<u>39,000</u>	<u>12,899</u>
Expenditures				
Bond Principal	20,000	20,000	19,945	55
Interest	19,962	18,863	18,810	53
Commodities	-	-	1,245	(1,245)
Total Expenditures	<u>39,962</u>	<u>38,863</u>	<u>40,000</u>	<u>(1,137)</u>
Cash Receipts Over (Under) Expenditures	43,223	13,036		
Unencumbered Cash - Beginning	<u>359</u>	<u>43,582</u>		
Unencumbered Cash - Ending	\$ <u>43,582</u>	<u>56,618</u>		

CITY OF LYONS, KANSAS
Bond and Interest Fund - Gas Line Project
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Bond Proceeds	\$ 3,350,000	-	-	-
Transfers In	175,000	215,000	215,000	-
Use of Money and Property	5,087	-	-	-
Total Cash Receipts	<u>3,530,087</u>	<u>215,000</u>	<u>215,000</u>	<u>-</u>
Expenditures				
Bond Principal	3,212,314	90,000	90,000	-
Interest	227,388	113,474	113,474	-
Commodities	83,597	(31)	22,526	(22,557)
Total Expenditures	<u>3,523,299</u>	<u>203,443</u>	<u>226,000</u>	<u>(22,557)</u>
Cash Receipts Over (Under) Expenditures	6,788	11,557		
Unencumbered Cash - Beginning	<u>142</u>	<u>6,930</u>		
Unencumbered Cash - Ending	\$ <u>6,930</u>	<u>18,487</u>		

CITY OF LYONS, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services	\$ 901,735	906,795	1,022,468	(115,673)
Meter Connect Fees	19,510	22,570	14,000	8,570
Miscellaneous	6,540	8,718	10,300	(1,582)
Total Cash Receipts	<u>927,785</u>	<u>938,083</u>	<u>1,046,768</u>	<u>(108,685)</u>
Expenditures				
Transmission and Distribution				
Personal Services	211,544	194,084	229,735	(35,651)
Contractual Services	139,061	112,786	107,276	5,510
Commodities	150,743	126,822	276,979	(150,157)
Capital Outlay	21,606	10,568	92,500	(81,932)
Total Transmission and Distribution	<u>522,954</u>	<u>444,260</u>	<u>706,490</u>	<u>(262,230)</u>
General and Administration				
Personal Services	89,299	92,820	106,278	(13,458)
Contractual Services	2,774	596	4,000	(3,404)
Franchise Tax	70,000	70,000	70,000	-
Total General and Administration	<u>162,073</u>	<u>163,416</u>	<u>180,278</u>	<u>(16,862)</u>
Transfers Out	<u>185,000</u>	<u>235,000</u>	<u>235,000</u>	<u>-</u>
Total Expenditures	<u>870,027</u>	<u>842,676</u>	<u>1,121,768</u>	<u>(279,092)</u>
Cash Receipts Over (Under) Expenditures	57,758	95,407		
Unencumbered Cash - Beginning	<u>33,717</u>	<u>91,475</u>		
Unencumbered Cash - Ending	\$ <u>91,475</u>	<u>186,882</u>		

CITY OF LYONS, KANSAS
Waste Water Treatment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services	\$ 469,078	484,959	541,317	(56,358)
Miscellaneous	3,055	4,138	10,200	(6,062)
Total Cash Receipts	<u>472,133</u>	<u>489,097</u>	<u>551,517</u>	<u>(62,420)</u>
Expenditures				
Transmission and Distribution				
Personal Services	104,085	111,931	113,257	(1,326)
Contractual Services	78,523	63,666	88,071	(24,405)
Commodities	25,644	45,985	83,550	(37,565)
Capital Outlay	11,364	1,536	72,395	(70,859)
Total Transmission and Distribution	<u>219,616</u>	<u>223,118</u>	<u>357,273</u>	<u>(134,155)</u>
General and Administration				
Personal Services	38,736	37,705	42,324	(4,619)
Commodities	2,774	1,134	1,200	(66)
Franchise Tax	30,000	30,000	30,000	-
Total General and Administration	<u>71,510</u>	<u>68,839</u>	<u>73,524</u>	<u>(4,685)</u>
Transfers Out	<u>165,720</u>	<u>165,720</u>	<u>165,720</u>	<u>-</u>
Total Expenditures	<u>456,846</u>	<u>457,677</u>	<u>596,517</u>	<u>(138,840)</u>
Cash Receipts Over (Under) Expenditures	15,287	31,420		
Unencumbered Cash - Beginning	<u>857</u>	<u>16,144</u>		
Unencumbered Cash - Ending	\$ <u>16,144</u>	<u>47,564</u>		

CITY OF LYONS, KANSAS
Storm Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Storm Water Fee	\$ 23,972	23,725	23,650	75
Grants	-	-	93,750	(93,750)
Transfers In	-	9,000	9,000	-
Total Cash Receipts	23,972	32,725	126,400	(93,675)
Expenditures				
Contractual Services	19,317	470	135,000	(134,530)
Commodities	29,220	686	32,400	(31,714)
Transfers Out	-	14,000	14,000	-
Total Expenditures	48,537	15,156	181,400	(166,244)
Cash Receipts Over (Under) Expenditures	(24,565)	17,569		
Unencumbered Cash - Beginning	52,537	27,972		
Unencumbered Cash - Ending	\$ 27,972	45,541		

CITY OF LYONS, KANSAS

Gas Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services	\$ 1,432,973	1,140,128	4,222,777	(3,082,649)
Bad Debt Recovery	61,447	48,588	36,000	12,588
Meter Connect Fees	13,940	14,443	12,000	2,443
Penalties	2,240	14,300	9,000	5,300
Reimbursed Expenses	22,621	19,040	25,000	(5,960)
Sale of Equipment	-	100	300	(200)
Total Cash Receipts	<u>1,533,221</u>	<u>1,236,599</u>	<u>4,305,077</u>	<u>(3,068,478)</u>
Expenditures				
Production	<u>789,824</u>	<u>438,749</u>	<u>3,467,500</u>	<u>(3,028,751)</u>
Transmission and Distribution				
Personal Services	84,175	88,002	81,741	6,261
Contractual Services	312,550	160,150	267,387	(107,237)
Commodities	17,086	13,117	44,886	(31,769)
Capital Outlay	<u>1,159</u>	<u>28,833</u>	<u>502,785</u>	<u>(473,952)</u>
Total Transmission and Distribution	<u>414,970</u>	<u>290,102</u>	<u>896,799</u>	<u>(606,697)</u>
General and Administration				
Personal Services	90,527	95,200	106,278	(11,078)
Commodities	5,487	8,762	5,500	3,262
Contractual Services	-	108	9,000	(8,892)
Bad Debts	-	-	20,000	(20,000)
Franchise Tax	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Total General and Administration	<u>191,014</u>	<u>199,070</u>	<u>235,778</u>	<u>(36,708)</u>
Transfers Out	<u>205,000</u>	<u>245,000</u>	<u>245,000</u>	<u>-</u>
Total Expenditures	<u>1,600,808</u>	<u>1,172,921</u>	<u>4,845,077</u>	<u>(3,672,156)</u>
Cash Receipts Over (Under) Expenditures	(67,587)	63,678		
Unencumbered Cash - Beginning	<u>194,017</u>	<u>126,430</u>		
Unencumbered Cash - Ending	\$ <u>126,430</u>	<u>190,108</u>		

CITY OF LYONS, KANSAS
Gas Line Replacement Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 30,000	30,000
Expenditures		
Contractual Services	60,621	17,323
Commodities	619	-
Total Expenditures	61,240	17,323
Cash Receipts Over (Under) Expenditures	(31,240)	12,677
Unencumbered Cash - Beginning	115,197	83,957
Unencumbered Cash - Ending	\$ 83,957	96,634

CITY OF LYONS, KANSAS
Sewer Replacement Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 126,720	126,720
Expenditures		
Principal	90,645	93,302
Interest	23,828	21,399
Service Fee	2,239	2,011
Total Expenditures	116,712	116,712
Cash Receipts Over (Under) Expenditures	10,008	10,008
Unencumbered Cash - Beginning	34,525	44,533
Unencumbered Cash - Ending	\$ 44,533	54,541

CITY OF LYONS, KANSAS
Sewer Line Replacement Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 39,000	39,000
Expenditures		
Contractual	43,347	28,126
Cash Receipts Over (Under) Expenditures	(4,347)	10,874
Unencumbered Cash - Beginning	31,093	26,746
Unencumbered Cash - Ending	\$ 26,746	37,620

CITY OF LYONS, KANSAS
Water Line Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 155,000	205,000
Grants	-	184,365
Total Cash Receipts	<u>155,000</u>	<u>389,365</u>
Expenditures		
Contractual Services	65,000	198,998
Commodities	-	2,182
Capital Outlay	58,338	3,670
Total Expenditures	<u>123,338</u>	<u>204,850</u>
Cash Receipts Over (Under) Expenditures	31,662	184,515
Unencumbered Cash - Beginning	<u>27,659</u>	<u>59,321</u>
Unencumbered Cash - Ending	<u>\$ 59,321</u>	<u>243,836</u>

CITY OF LYONS, KANSAS
Water Well Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 30,000	30,000
Expenditures		
Contractual	850	59,692
Cash Receipts Over (Under) Expenditures	29,150	(29,692)
Unencumbered Cash - Beginning	36,634	65,784
Unencumbered Cash - Ending	\$ 65,784	36,092

CITY OF LYONS, KANSAS
Special Law Enforcement Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	1,866	1,866
Unencumbered Cash - Ending	\$ 1,866	1,866

CITY OF LYONS, KANSAS
Cemetery Endowment Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Fees	\$ 3,000	2,700
Transfers In	-	100,000
Total Cash Receipts	3,000	102,700
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	3,000	102,700
Unencumbered Cash - Beginning	28,059	31,059
Unencumbered Cash - Ending	\$ 31,059	133,759

CITY OF LYONS, KANSAS
Lyons Public Library
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Grant Revenues	\$ 12,796	12,245
Appropriations	64,873	68,251
Collections	8,865	7,776
Memorial	1,527	1,830
Use of Money and Property	2,157	1,512
Total Cash Receipts	<u>90,218</u>	<u>91,614</u>
Expenditures		
Personal Services	60,846	61,566
Programs	30,878	28,898
Total Expenditures	<u>91,724</u>	<u>90,464</u>
Cash Receipts Over (Under) Expenditures	(1,506)	1,150
Unencumbered Cash - Beginning	<u>132,484</u>	<u>130,978</u>
Unencumbered Cash - Ending	\$ <u><u>130,978</u></u>	<u><u>132,128</u></u>

CITY OF LYONS, KANSAS
City of Lyons Public Building Commission
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Rent Payments	\$ 165,000	160,000	160,000	(160,000)
Expenditures				
Bond Principal	70,000	75,000	75,000	-
Interest	79,263	77,162	82,770	(5,608)
Commodities	-	-	17,230	(17,230)
Total Expenditures	149,263	152,162	175,000	(22,838)
Cash Receipts Over (Under) Expenditures	15,737	7,838		
Unencumbered Cash - Beginning	15,178	30,915		
Unencumbered Cash - Ending	\$ 30,915	38,753		

CITY OF LYONS, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Qualified

Internal control over financial reporting:

• Material weakness identified?	<u>X</u>	Yes	<u> </u>	No
• Significant deficiency identified?	<u> </u>	Yes	<u>X</u>	None reported
• Noncompliance material to financial statements noted?	<u> </u>	Yes	<u>X</u>	No

FEDERAL AWARDS

Internal control over major programs:

• Material weakness identified?	<u> </u>	Yes	<u>X</u>	No
• Significant deficiency identified?	<u> </u>	Yes	<u>X</u>	None reported

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

<u> </u>	Yes	<u>X</u>	No
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Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Grant
20.205	Highway and Planning Construction Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

<u> </u>	Yes	<u>X</u>	No
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CITY OF LYONS, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weakness in Internal Control

2012-1

Criteria or specific requirement

Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition

Proper segregation of duties does not exist in the accounting system.

Effect

Management may not become aware of problems or irregularities in a timely manner.

Cause

It is cost prohibitive for the City to hire additional personnel.

Recommendation

Procedures should be established and implemented where the City implements segregation of duties in the receipts and expenditures cycles and implements *additional internal control*.

Views of responsible officials and planned corrective actions

The City is aware that employees have incompatible duties; however, due to the size of the City, it would not be feasible to hire additional personnel. The City is continuing to review the duties of the current personnel and to strengthen internal control based upon its current staffing.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS

No material findings or questioned costs are required to be disclosed under OMB Circular A-133.

CITY OF LYONS, KANSAS
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2012

No material findings or questioned costs for the year ended December 31, 2011 are required to be disclosed under OMB Circular A-133.

CITY OF LYONS, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
U.S. Department of Transportation			
Direct Award			
Airport Improvement Program	20.106	3-20-0051-14	\$ 32,266
Airport Improvement Program	20.106	3-20-0051-15	168,349
U.S. Department of Housing and Urban Development			
Passed through Kansas Housing Resource Commission			
Home Investment Partnerships Program	14.239	HR-09-0151	78,695
Home Investment Partnerships Program	14.239	HR-11-0056	47,434
U.S. Department of Transportation			
Passed through Kansas Department of Transportation			
Highway Planning and Construction Grant	20.205	TE-0364-01	273,857
State and Community Highway Safety Grant	20.600	SP-1300-12	1,000
U.S. Department of Homeland Security			
Passed through State Adjutant General's Department -			
Disaster Grants - Public Assistance	97.036	PW101	372
Disaster Grants - Public Assistance	97.036	PW107	2,818
Disaster Grants - Public Assistance	97.036	PW117	4,974
Total Expenditures of Federal Awards			\$ 609,765